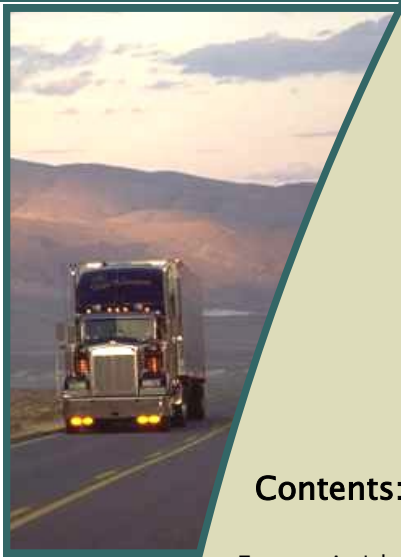
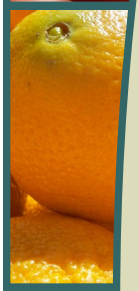
USDA United States Department of Agriculture

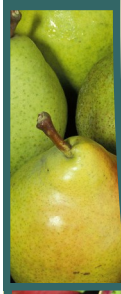


Agricultural Refrigerated Truck Quarterly

1st Quarter, 2016
January — March

A quarterly publication of the Agricultural Marketing Service
www.ams.usda.gov/RTQ





Contents:

Feature Article

Industry Works Together to Find Solution for New International Container Weight Requirement

On July 1, new international regulations were implemented requiring shippers to report a verified gross mass weight (VGM) of containers to shipping lines prior to being loaded on the vessel. The regulations are the result of the 2014 Safety of Life at Sea (SOLAS) amendments (see discussion in the next section). U.S. agricultural exporters have been working with ocean container carriers, the Coast Guard (the legal enforcement agency of the new regulations), the Federal Maritime Commission (FMC), and Congress for months to ensure these regulations do not disrupt their ability to efficiently move products overseas. The road has been arduous, but within a couple of weeks of implementation, a solution for both exporters and carriers was reached. Ocean carriers agreed to accept the gate weight recorded at the port terminals as the official shipment VGM. Exporters are encouraging all U.S. container ports to agree to this solution and carriers and ports are working out the final procedural details and methods of the data transmission.

What is the new SOLAS requirement?

The new regulations come from an amendment to the International Maritime Organization's (IMO) International Convention for the Safety of Life at Sea, or SOLAS. The IMO is "a specialized agency of the United Nations that is the global standard-setting authority for the safety, security, and environmental performance of international shipping. IMO's main role is to create a regulatory framework for the shipping industry that is fair and effective, universally adopted, and universally implemented" (SOLAS 2016). According to the IMO, the key objective of the SOLAS Convention is to identify and specify the minimum standards for the construction, equipment, and operation of merchant ships to ensure their safety (IMO 2016). The new regulation is an amendment to Chapter VI of SOLAS, which covers the safety requirements for all types of cargo. The amendment requires containers to have a verified gross mass as a condition for loading aboard a vessel. This information will allow vessel planners to more accurately determine the weight aboard the ship and reduce the risk of overloading.

Original interpretations of the rule required the exporter to be responsible for providing the VGM to the ocean carrier prior to the container arriving at the terminal or the container would be turned away. Additionally, carriers required exporters to accurately report the weight of the container itself which they do not own or operate. The export community agreed this would cause additional costs, time, and delays and jeopardize the export transaction.

What is the current solution?

After the Port of Charleston's announcement in February that it would provide terminal gate weights to satisfy the new SOLAS requirements, many East and Gulf Coast ports announced they also are willing to provide, at no additional cost, weights already collected at the entry gates to the ocean carriers to satisfy the VGM requirement. This is a normal practice at the terminals and will not require an additional lift of the container. The U.S. Coast Guard confirmed that terminal gate weights are compliant with the SOLAS mandate. On June 17, ocean carriers announced through the Ocean Carrier Equipment Management Association (OCEMA), which represents 19 ocean container carriers, that they strongly support the use of on-terminal scales to obtain the VGM of containers. Carrier alliances also announced they will accept VGM information from the terminals.

Since July 1, most ports have implemented the new procedure at no additional cost. However, there are reports of some terminals charging the ocean carriers for the new procedure and this cost is being passed along to the exporter. This practice seems unfair to the agricultural export community since the original concept of the VGM was initiated by the carrier community. Some agricultural exporters are planning to take this issue before the FMC for consideration.

U.S. ports are operated uniquely, so each port determines the best weighing practices and data transmission method for its particular circumstance. To help ensure a consistent practice for the export community, on June 27, the Federal Maritime Commission approved a discussion agreement between the 19 OCEMA members and a group of East and Gulf Coast ports (Massachusetts, North Carolina, South Carolina, Virginia, Georgia, and Houston).

For cargo arriving by on-dock rail service, the G6 Alliance announced it will accept the shippers' certification of cargo weights tendered to the railroad, as required by the Intermodal Safe Container Transportation Act. The carriers will marry these shippers' weights with the associated container tare weights pulled from the carriers' own equipment fleet registers, to arrive at the VGM, which will be electronically transmitted to the terminal by the ocean carrier.

The IMO has granted a 3-month grace period for compliance with the new VGM requirements. This will allow some flexibility as ports, terminals, exporters, railroads and ocean carriers implement uniform procedures to prevent disruption to U.S. export traffic. (*April.Taylor@ams.usda.gov*)

Reference

International Maritime Organization, *International Convention for the Safety of Life at Sea (SOLAS), 1974*; http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-for-the-Safety-of-Life-at-Sea-(SOLAS),-1974.aspx

Quarterly Overview

Fruit and Vegetable Shipments

Reported U.S. truck shipments of fresh produce during the 1st quarter 2016 were 7.56 million tons, 2 percent lower than the previous quarter, and 7 percent lower than the same quarter last year.

Shipments from the Mexico were the highest in the 1st quarter, totaling 2.8 million tons and accounting for 37 percent of the total reported shipments of fresh fruits and vegetables. Shipments from the Pacific Northwest totaled 1.6 million tons, representing 22 percent of the reported shipments. Movements from Arizona totaled 800,000 tons, representing 10.6 percent of the reported total.

The following top 5 commodities accounted for 43 percent of the reported truck movements during the 1st quarter 2016:

- Potatoes (14 %)
- Apples (10 %)
- Onions, dry (7 %)
- Tomatoes (6 %)
- Lettuce, Iceberg (4 %)

Truck Rates

The table below provides a snapshot of quarterly rates for U.S. produce shipments over four mileage categories—0-500, 501-1,500, 1,501-2,500, and 2,500+ miles. U.S. average truck rates are weighted by regional rates and volumes.

U.S. Average Fruit and Vegetable Truck Rates per Mile				
	0-500 miles	**501-1,500 miles**	**1,501-2,500 miles**	**2,500 miles +**
Q1 2015	4.68	2.47	2.31	1.32
Q2 2015	5.05	2.62	2.38	1.27
Q3 2015	6.45	2.43	2.33	1.31
Q4 2015	5.01	2.36	2.07	1.08
Q1 2016	3.98	2.22	2.10	1.27
Q1 Change from Previous Quarter	-21%	-6%	2%	18%
Q4 Change from Same Quarter Last Year	-15%	-10%	-9%	-4%

Diesel Fuel

During the 1st quarter 2016, the U.S. diesel fuel price averaged $2.07 per gallon, 15 percent lower than the previous quarter, and 29 percent lower than the same quarter last year.

Regulatory News and Updates

FMCSA Proposes Crash Preventability Demonstration Program:
On July 12, 2016, the Federal Motor Carrier Safety Administration (FMCSA) published a proposal in the Federal Register to develop and implement a demonstration program to determine the efficacy of preventability determinations on certain types of crashes that are generally less complex. The agency proposes to accept requests for data reviews (RDR) that seek to establish the non-preventability of certain crashes through its national data correction system known as DataQs. The FMCSA notice proposes that the agency would accept an RDR, as part of this program, when documentation establishes the crash was not preventable by the motor carrier or commercial driver. The proposed minimum time period for this crash preventability demonstration program would be 24 months. Comments on the proposed Crash Preventability Program are due by September 12, 2016, and FMCSA's response to comments on its Crash Weighting Analysis can be viewed in docket number FMCSA_FRDOC_0001.

Commercial drivers and motor carriers have long been concerned that crashes that are not their fault remain part of their FMCSA safety record in the Motor Carrier Management Information System (MCMIS) and on the Compliance Safety and Accountability, Safety Management System, Behavior Analysis and Safety Improvement Categories (BASICs) Crash Indicator. The Crash Indicator is based on information from State-reported crashes and provides histories or patterns of high crash involvement, including frequency and severity.

Update on Evaluation of Safety Sensitive Personnel for Moderate-to-Severe Obstructive Sleep Apnea: The extended comment period for the FMCSA's/Federal Railroad Administration's (FRA) request for data and information on the prevalence of moderate-to-severe obstructive sleep apnea (OSA) among individuals occupying safety sensitive positions in highway and rail transportation ended on July 8, 2016. The agencies also sought information on OSA's potential consequences for the safety of rail and highway transportation, and potential costs and benefits from regulatory actions that address the safety risks associated with workers in safety sensitive positions who have OSA. The comments may be viewed in docket number FMCSA-2015-0419.

Pre-Employment Screening Program Driver Data Dissemination Update:
On June 30, 2016, the Owner-Operator Independent Drivers' Association (OOIDA) filed a reply brief with the U.S. Court of Appeals for the First Circuit. This brief appeals the Massachusetts District Court's September 30, 2015 dismissal of OOIDA's complaint regarding FMCSA's Pre-Employment Screening Program (PSP). OOIDA maintains that FMCSA's PSP should not disseminate inspection reports that contain references to alleged safety violations that have not been determined to be serious driver-related safety violations. PSP helps carriers make more informed hiring decisions by providing secure, electronic access to a commercial driver's 5-year crash and 3-year inspection history from MCMIS.

Safety Fitness Determination Notice of Proposed Rulemaking Update:
The extended comment period concerning FMCSA's proposed methodologies for issuance of safety fitness determinations (SFD) for motor carriers, which was originally published on January 21, 2016, ended on June 23, 2016. The proposed methodologies would determine when a motor carrier is not fit to operate commercial motor vehicles (CMVs) in or affecting interstate commerce based on: (1) the carrier's on-road safety performance in relation to five of the Agency's seven Behavioral Analysis and Safety Improvement Categories (BASICs), (2) an investigation, or (3) a combination of on-road safety data and investigation information. The intended effect of this action is to more effectively use FMCSA data and resources to identify unfit motor carriers and to remove them from the Nation's roadways. Comments can be viewed in docket number FMCSA-2015-0001.

Audit Initiated of Commercial Motor Vehicle Loading and Unloading Delays:
On June 15, 2016, the U.S. Department of Transportation's Office of the Inspector General (OIG) initiated an audit to report on the impact of loading and unloading delays in areas such as the economy and efficiency of the transportation system. The objectives of the audit are to: (1) assess available data on motor carrier loading and unloading delays, and (2) provide information on measuring the potential effects of loading and unloading delays. The Fixing America's Surface Transportation Act of 2015 (FAST Act) directed FMCSA to issue regulations on collecting data on loading and unloading delays and OIG to conduct the audit.

To reduce driver fatigue and fatigue-related crashes, FMCSA's current hours of service regulations limit the number of hours a driver can work per day to 14. However, delays at shipping and receiving facilities during cargo loading and unloading may result in travel delays and lost wages for drivers. Truckers who experience delays at these facilities may then drive faster to make deliveries within hours-of-service limits or operate beyond hours-of-service limits and improperly log their driving time, thus increasing the risk of crashes and fatalities.

Electronic Logging Devices for Commercial Truck and Bus Industries Update:
On June 15, 2016, FMCSA filed a reply brief to the Owner-Operator Independent Drivers Association Petition for Review of the final rule on electronic logging devices (ELD) with the U.S. Court of Appeals for the 7th Circuit. The final rule, which can be viewed in docket number FMCSA-2010-0167-2284, requires the use of ELDs by December 18, 2017, to document drivers' compliance with hours of service limits. On June 22, 2016, the American Trucking Associations filed a brief, and the Trucking Alliance for Driver Safety and Security and Advocates for Highway and Auto Safety filed a joint brief in support of FMCSA's final rule. Oral arguments are scheduled for September 13, 2016.

FMCSA Awards $32 Million to Border States to Ensure Commercial Truck and Bus Safety Enforcement:
On June 14, 2016, FMCSA announced it has awarded $32 million in financial assistance to 15 States to help ensure that foreign truck and bus drivers and vehicles involved in international commerce at or near border crossings with Canada and Mexico are properly licensed to operate on U.S. roads.
The Border Enforcement Grant Program is a federal discretionary grant program focused on reducing crashes, fatalities, and injuries by drivers and vehicles involved in international commerce by ensuring that these motor carriers, drivers, and vehicles are in compliance with U.S. commercial vehicle safety regulations, including financial responsibility, operating authority, driver qualifications and licensing, and vehicle maintenance.

Passengers in Commercial Motor Vehicles Must Use of Seat Belts:
Effective August 8, 2016, passengers in property-carrying commercial motor vehicles (CMVs) must use the seat belt assembly whenever the vehicles are operated on public roads in interstate commerce. This rule holds motor carriers and drivers responsible for ensuring that passengers riding in the property-carrying CMV are using the seat belts required by the Federal Motor Vehicle Safety Standards (FMVSSs). Comments on the final rule, which was published June 7, 2016, can be viewed in docket number FMCSA-2015-0396.

FMCSA Civil Penalties Adjusted for Inflation:
Effective August 1, 2016, FMCSA has amended the civil penalties listed in its regulations to ensure that the civil penalties assessed or enforced by the Agency reflect the statutorily mandated ranges as adjusted for inflation. Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (2015

Act), FMCSA is required to promulgate a catch-up adjustment through an interim final rule. Pursuant to the Administrative Procedure Act, FMCSA finds that good cause exists for immediate implementation of this interim final rule because prior notice and comment are unnecessary, per the specific provisions of the 2015 Act. The notice can be viewed in docket number FMCSA-2016-0128.

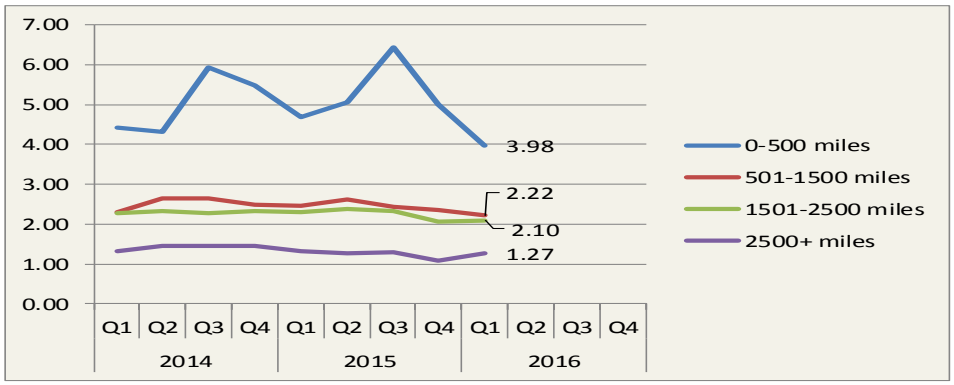
Heavy Vehicle Speed Limiters Update:
According to the July 2016 Report on DOT Significant Rulemakings, the projected date for clearance and publication of the proposed rule for Heavy Vehicle Speed Limiters is "Summer 2016." This joint rulemaking by FMCSA and the National Highway Traffic Safety Administration (NHTSA) responds to petitions from the American Trucking Associations and Roadsafe America to require the installation of speed limiting devices on heavy trucks. In response to the petitions, NHTSA requested public comment in Docket No. NHTSA–2007–26851 on the subject and received thousands of comments supporting the petitioner´s request. Based on the available safety data and the ancillary benefit of reduced fuel consumption, this rulemaking considers a new Federal Motor Vehicle Safety Standard requiring the installation of speed limiting devices on heavy trucks.

Commercial Driver's License Drug and Alcohol Clearinghouse Update:
August 28, 2016 is the projected date for publication of the final rule to create a central database for verified positive controlled substances and alcohol test results for commercial driver´s license (CDL) holders and refusals by such drivers to submit to testing. This rule would require employers of CDL holders and service agents to report positive test results and refusals to test to the Clearinghouse. Prospective employers, acting on an application for a CDL driver position with the applicant´s written consent to access the Clearinghouse, would query the Clearinghouse to determine if any specific information about the driver applicant is in the Clearinghouse before allowing the applicant to be hired and to drive CMVs. This rule is intended to increase highway safety by ensuring CDL holders, who have tested positive or have refused to submit to testing, have completed the U.S. DOT´s return-to-duty process before driving CMVs in interstate or intrastate commerce. It is also intended to ensure that employers are meeting their drug and alcohol testing responsibilities. Provisions in this rulemaking would also be responsive to requirements of the Moving Ahead for Progress in the 21st Century Act which required creation of the Clearinghouse by October 1, 2014.

National Summary

U.S. Truck Rates

Figure 1: Average Truck Rates for Selected Routes ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Table 1: Average U.S. Truck Rates for Selected Routes between 501 and 1500 miles ($/Mile)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	*Annual
2016	2.22				
2015	2.47	2.62	2.43	2.36	2.47
2014	2.31	2.66	2.65	2.50	2.53
2013	2.24	2.60	2.62	2.31	2.44
2012	2.10	2.54	2.45	2.29	2.35
2011	2.02	2.60	2.77	2.26	2.41
2010	1.82	2.21	2.33	1.94	2.08
2009	1.85	1.99	2.02	1.86	1.93
2008	2.02	2.56	2.77	2.24	2.40
2007	1.89	2.23	2.25	2.03	2.10
2006	1.92	2.10	2.21	2.02	2.06

*Annual: Weighted average rate for all 4 quarters.
Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Table 2: Quarterly Rates for Key Origins by Month; 501-1500 miles ($/Mile)

Origin	1st Qtr 2016			4th Qtr 2015		
	January	February	March	October	November	December
Arizona	2.85	2.73	2.62	n/a	3.66	2.94
California	2.76	2.77	2.72	2.98	3.01	2.84
Florida	2.05	1.93	1.93	2.20	1.99	2.16
Great Lakes	3.03	3.05	3.06	3.04	3.04	2.99
Mexico-Arizona	2.28	2.13	2.08	1.52	1.72	2.20
Mexico-Texas	2.17	1.96	1.98	1.90	1.92	2.07
New York	1.96	1.77	1.78	1.83	1.86	1.93
PNW	2.08	1.98	1.91	1.99	2.11	2.14
Southeast	3.34	3.25	3.23	6.29	4.65	3.43
Texas	2.37	2.20	2.18	2.30	2.15	2.27

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division
Note: "n/a" indicates rates not available.
Note: The rates for 8 long-haul fruit and vegetable truck corridors are included in the national rate, weighted by commodity and origin volume.

Truck Rates for Selected Routes

Table 3: Origin-Destination Truck Rates for Selected Routes , 1st Quarter 2016 ($/Mile)

Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	2.22	2.14	2.21	1.91	2.85	7.00	2.29	2.18	2.15	2.43
California	2.17	2.10	2.15	1.97	2.65	6.42	2.20	2.15	2.13	2.72
Florida	2.16	2.08	2.06	1.64	.	1.35	2.50	2.11	1.98	.
Great Lake	2.91	2.93	2.93	3.90	2.83	.	2.55	3.27	3.31	.
Mexico-Ari	.	1.99	2.04	1.81	2.05	2.18	2.05	2.08	2.03	.
Mexico-Tex	2.15	2.06	2.16	1.92	2.44	1.70	2.28	2.12	2.05	1.98
New York	1.84	3.87	6.40	1.48	.	.	2.15	6.15	5.17	.
Other	2.38	2.56	3.05	2.02	2.96	1.87	2.30	2.59	2.59	.
PNW	2.17	2.22	2.14	2.13	2.13	1.99	2.00	2.23	2.16	6.57
Southeast	5.25	3.56	3.26	3.53	.	.	3.25	3.81	3.66	.
Texas	2.33	2.14	2.24	2.02	2.84	1.79	2.39	2.23	2.14	2.05

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Truck Rates for Selected Routes

Table 4: Origin-Destination Truck Rates for Selected Routes , 1st Quarter 2016 ($/Truck)

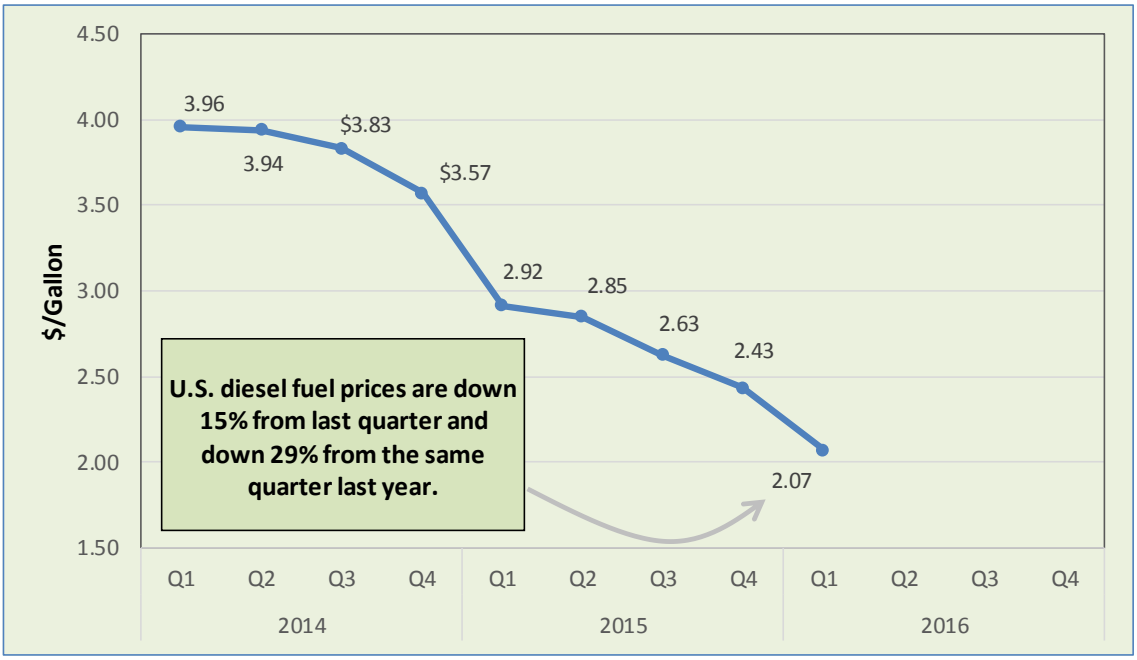
Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	4,665	5,562	6,396	3,881	3,700	1,050	5,942	5,888	5,708	3,157
California	4,796	5,657	6,516	4,088	3,837	963	6,052	6,069	5,866	2,996
Florida	1,152	1,996	2,984	2,088	.	3,400	600	2,512	2,195	.
Great Lake	2,785	3,929	3,914	1,229	3,153	.	4,316	3,957	3,165	.
Mexico-Ari	.	4,675	5,500	3,250	2,008	1,219	4,662	5,192	4,877	.
Mexico-Tex	2,469	3,688	4,758	2,742	1,219	2,723	3,488	4,238	3,900	4,761
New York	1,844	1,277	1,346	1,240	.	.	3,123	1,041	1,188	.
Other	2,076	3,120	3,048	1,855	1,614	1,744	4,638	2,704	3,108	.
PNW	4,994	5,443	5,864	3,775	3,857	1,974	5,934	5,628	5,410	919
Southeast	1,563	1,650	2,862	3,000	.	.	2,500	2,512	2,069	.
Texas	2,469	3,688	4,758	2,742	1,219	2,723	3,488	4,238	3,900	4,761

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

U.S. Diesel Fuel Prices

The diesel fuel price provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for fruit and vegetable movements.

Figure 2: U.S. Average On-Highway Diesel Fuel Prices



Source: Energy Information Administration/U.S. Department of Energy

Table 5: 1st Quarter 2016 Average Diesel Fuel Prices (All Types - $/Gallon)

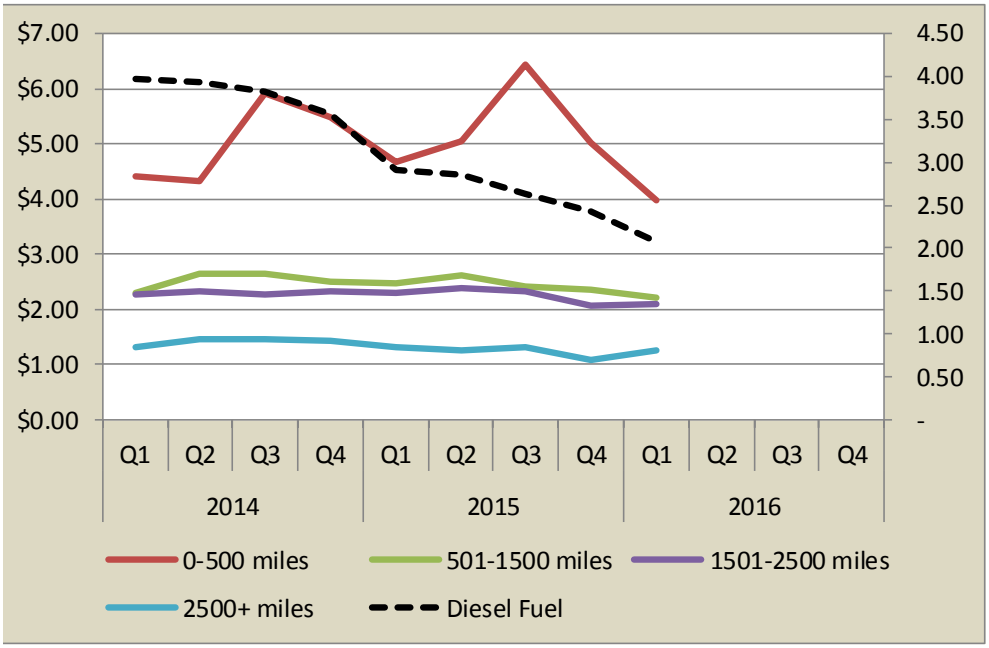
Location	Price	Change From	
		Last Quarter	Same Qtr Last Year
East Coast	2.14	-0.32	-0.90
New England	2.23	-0.29	-0.94
Central Atlantic	2.26	-0.32	-0.93
Lower Atlantic	2.03	-0.33	-0.86
Midwest	2.01	-0.43	-0.84
Gulf Coast	1.96	-0.31	-0.85
Rocky Mountain	2.00	-0.44	-0.84
West Coast	2.29	-0.35	-0.74
West Coast Less California	2.14	-0.37	-0.71
California	2.41	-0.33	-0.76
U.S.	2.07	-0.36	-0.84

Source: Energy Information Administration/U.S. Department of Energy

Relationship Between Diesel Fuel & Truck Rates

The diesel fuel price provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for fruit and vegetable movements.

Figure 3: U.S. Average On-Highway Diesel Fuel Prices and Truck Rates



Sources:
Diesel Fuel: Energy Information Administration/U.S. Department of Energy
Truck Rate: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Table 6: Average Diesel Fuel Prices and Truck Rates

		Diesel Fuel ($/gallon)	Truck Rates ($/mile) 501-1500 miles	% Change From:			
				Last Qtr		Same Qtr Last Year	
				Diesel	Truck	Diesel	Truck
2014	Q1	3.96	2.31	2%	2%	-2%	3%
	Q2	3.94	2.65	-1%	14%	2%	2%
	Q3	3.83	2.65	-3%	0%	-2%	2%
	Q4	3.57	2.50	-7%	-6%	-8%	10%
2015	Q1	2.92	2.47	-18%	-1%	-26%	7%
	Q2	2.85	2.62	-2%	6%	-28%	-1%
	Q3	2.63	2.43	-8%	-7%	-31%	-8%
	Q4	2.43	2.36	-8%	-3%	-32%	-6%
2016	Q1	2.07	2.22	-15%	-6%	-29%	-10%
	Q2						
	Q3						
	Q4						

Sources:
Diesel Fuel: Energy Information Administration/U.S. Department of Energy
Truck Rates: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

1st Quarter 2016 Comparison Analysis

Diesel fuel prices averaged $2.07 per gallon this quarter, 15 percent lower than last quarter and 29 percent lower than the same quarter last year. Average truck rates for shipments between 501 and 1,500 miles were $2.22 per mile, 6 percent lower than the previous quarter and 10 percent lower than the same quarter last year.

Quarterly Truck Availability

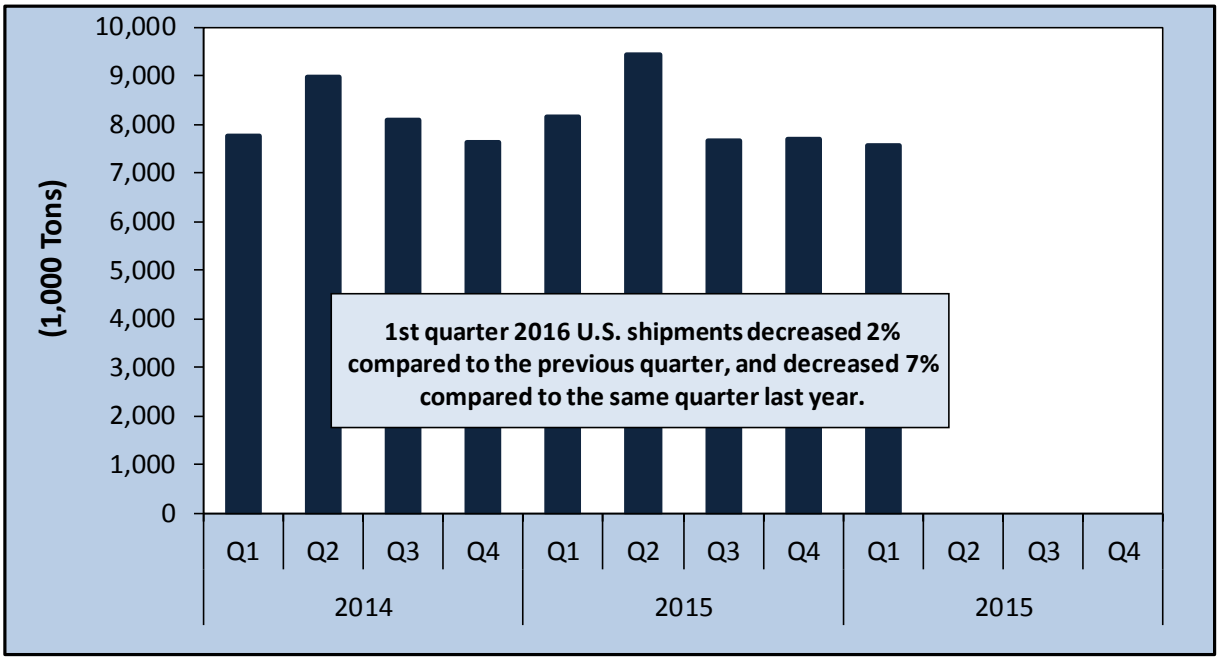
Table 7: U.S. Fresh Fruit and Vegetable Truck Availability, 1st Quarter 2016

Region[1]	Commodity[1]	Truck Availability											
		Surplus - 1		Slight Surplus - 2			Adequate - 3			Slight Shortage - 4			Shortage - 5
		Week Ending[1]											
CALIFORNIA, CENTRAL, AND WESTERN ARIZONA		1/5	1/12	1/19	1/26	2/2	2/9	2/16	2/23	3/1	3/8	3/15	3/22	3/29
Central San Joaquin Valley California	Kiwi, Iceberg Lettuce	3	3	3	3	3	3	3	3	3	3	3	3	3
Imperial, Palo Verde And Coachella Valleys, California And Central And Western Arizona	Broccoli, Cauliflower, Iceberg Lettuce, Leaf Lettuce, Romaine Lettuce	4	3	3	3	3	3	3	3	2	2	2	3	3
Kern District California	Carrots	4	3	3	3	3	3	3	3	2	2	2	3	3
Oxnard District California	Leaf Lettuce, Cabbage, Celery, Cilantro, Raspberries, Romaine, Strawberries	4	3	3	3	3	3	3	3	2	2	2	3	3
Salinas-Watsonville California	Broccoli, Cauliflower, Leaf Lettuce, Lettuce Romaine	4										2	3	3
Santa Maria California	Broccoli, Cauliflower, Iceberg Lettuce, Leaf Lettuce, Celery, Lettuce Romaine	4	3	3	3	3	3	3	3	2	2	2	3	3
South District California	Bell Peppers, Citrus	3	3	3	3	3	3	3	3	3	3	3	3	3
FLORIDA		1/5	1/12	1/19	1/26	2/2	2/9	2/16	2/23	3/1	3/8	3/15	3/22	3/29
Central & South Florida	Berries, Mixed Vegetables, Tomatoes	4	1	1	1	3	3	2	2	2	2	3	2	1
South Florida	Melons	3	3		3	3	3	3	3	3	3	3		3
Florida	Potatoes						1	1	1	1	1	1	1	1
GREAT LAKE (MI & WI)		1/5	1/12	1/19	1/26	2/2	2/9	2/16	2/23	3/1	3/8	3/15	3/22	3/29
Central Wisconsin	Onions, Potatoes	3	3	3	3	3	2	1	1	1	1	3	1	1
Michigan	Onions, Apples	3	3	3	3	3	3	3	3	3	3	3	3	3
MEXICO BORDER CROSSINGS		1/5	1/12	1/19	1/26	2/2	2/9	2/16	2/23	3/1	3/8	3/15	3/22	3/29
Mexico Crossings Through Nogales, Arizona	Mixed Vegetables, Tomatoes, Melons, Mangoes	4	3	1	2	3	3	2	2	2	1	1	4	2
Mexico Crossings Through Texas	Carrots, Citrus, Tomatoes, Mixed Fruits, Vegetables, Watermelons	4	3	3	3	3	3	2	2	3	3	3	4	3
PACIFIC NORTHWEST (ID, OR, & WA)		1/5	1/12	1/19	1/26	2/2	2/9	2/16	2/23	3/1	3/8	3/15	3/22	3/29
Columbia Basin Washington	Onions, Potatoes	4	4	4	3	3	3	3	3	3	3	3	3	3
Idaho And Malheur County, Oregon	Onions	4	4	4	3	3	3	3	3	3	3	3	3	3
Upper Valley, Twin Falls-Burley District Idaho	Potatoes	4	4	4	3	3	3	3	3	3	3	3	3	3
Yakima Valley & Wenatchee District Washington	Apples, Pears	3	3	3	3	3	3	3	3	2	2	2	2	2
SOUTHEAST (GA, SC, & NC)		1/5	1/12	1/19	1/26	2/2	2/9	2/16	2/23	3/1	3/8	3/15	3/22	3/29
Eastern North Carolina	Sweet Potatoes	4	3	3	3	3	3	3	3	3	3	3	3	3
South Georgia	Carrots, Cabbage, Greens,, Greens	3	3	3	3	3	3	3	3	3	3	3	3	3
TEXAS AND OKLAHOMA		1/5	1/12	1/19	1/26	2/2	2/9	2/16	2/23	3/1	3/8	3/15	3/22	3/29
Lower Rio Grande Valley, Texas	Grapefruit, Oranges.	4	3	3	3	3	3	2	2	3	3	3	4	3

[1] Regions reported and commodities shipped vary by week, month, season, and year. Within a region, truck availability may vary by commodity and destination.
Source: weekly Fruit and Vegetable Truck Rate Report, Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Division

Reported U.S. Shipments

Figure 4: Reported U.S. Fruit and Vegetable Shipments (1,000 Tons)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Table 8: Reported U.S. Fruit and Vegetable Shipments (1,000 Tons)

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
2016	7,562				7,562
2015	8,166	9,434	7,663	7,699	32,962
2014	7,779	8,965	8,081	7,643	32,468
2013	7,451	8,972	7,762	7,444	31,629
2012	7,577	9,008	7,774	7,532	31,890
2011	7,007	8,981	7,887	7,988	31,863
2010	7,065	8,881	7,985	7,522	31,454
2009	7,158	8,728	7,990	7,270	31,147
2008	7,059	8,666	7,426	6,904	30,057
2007	6,959	8,585	7,475	7,099	30,118
2006	6,335	8,400	7,854	6,962	29,551
2005	6,877	8,324	7,737	7,387	30,325
2004	6,867	8,331	6,876	6,732	28,807
2003	6,824	8,013	7,043	6,684	28,564
2002	6,787	8,094	6,414	6,460	27,756
2001	6,822	8,144	6,314	6,471	27,751
2000	6,776	8,155	6,916	6,395	28,242

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Reported Shipments by Selected Commodities

Table 9: Reported Top 10 Commodity Shipments for 1st Quarter 2016 (1,000 Tons)

Commodity	1st Quarter 2016	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
				Previous Qtr	Same Qtr Last Year
Potatoes	1,037	1,194	1,162	-13%	-11%
Apples	786	847	911	-7%	-14%
Onions Dry	493	528	517	-7%	-5%
Tomatoes	434	359	490	21%	-11%
Lettuce, Iceberg	327	341	417	-4%	-21%
Avocados	317	253	256	25%	24%
Lettuce, Romaine	294	268	320	10%	-8%
Tomatoes, Plum Type	276	157	213	76%	29%
Peppers, Bell Type	240	180	295	33%	-19%
Cucumbers	235	231	265	2%	-11%

Regional Markets

California

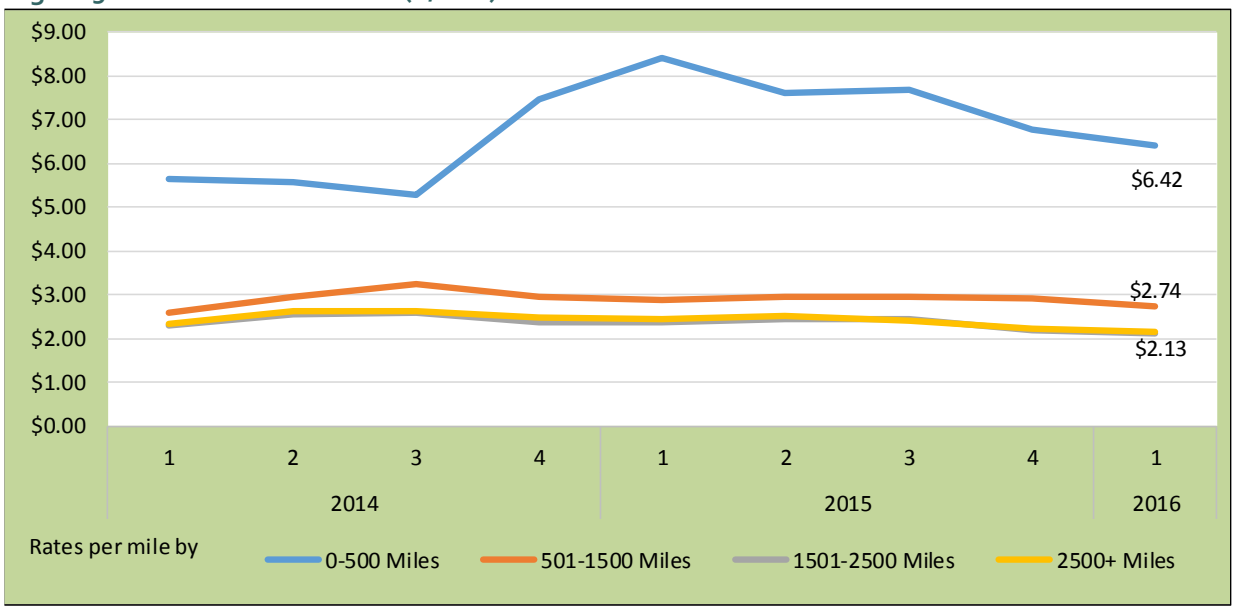
Table 10: Reported Top Five Commodities Shipped from California (1,000 tons)

Commodity	1st Quarter 2016	Share of California Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Celery	111	19%	182	118	-39%	-5%
Carrots	74	13%	73	65	1%	13%
Strawberries	66	11%	65	129	1%	-49%
Lettuce, Romaine	53	9%	130	78	-60%	-32%
Lettuce, Iceberg	46	8%	150	94	-69%	-50%
Top 5 Total	**350**	**59%**	**600**	**483**	**-42%**	**-28%**
California Total	**588**	**100%**	**1,417**	**750**	**-58%**	**-22%**

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

"-" indicates no reported shipments during the quarter.

Figure 5: California Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Figure 6: California Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	January	February	March	1st Quarter
Central San Joaquin Valley California	3.00	3.00	3.00	**3.00**
Imperial, Palo Verde, And Coachella Valleys	3.25	3.00	2.40	**2.88**
Kern District California	3.25	3.00	2.40	**2.88**
Oxnard District California	3.25	3.00	2.40	**2.88**
Salinas-Watsonville California	4.00	n/a	2.69	**3.34**
Santa Maria California	3.25	3.00	2.40	**2.88**
South District California	3.00	3.00	3.00	**3.00**
Regional Average Availability	3.29	3.00	2.61	**2.97**
Diesel Fuel Price ($/gallon)	2.53	2.34	2.39	**2.42**

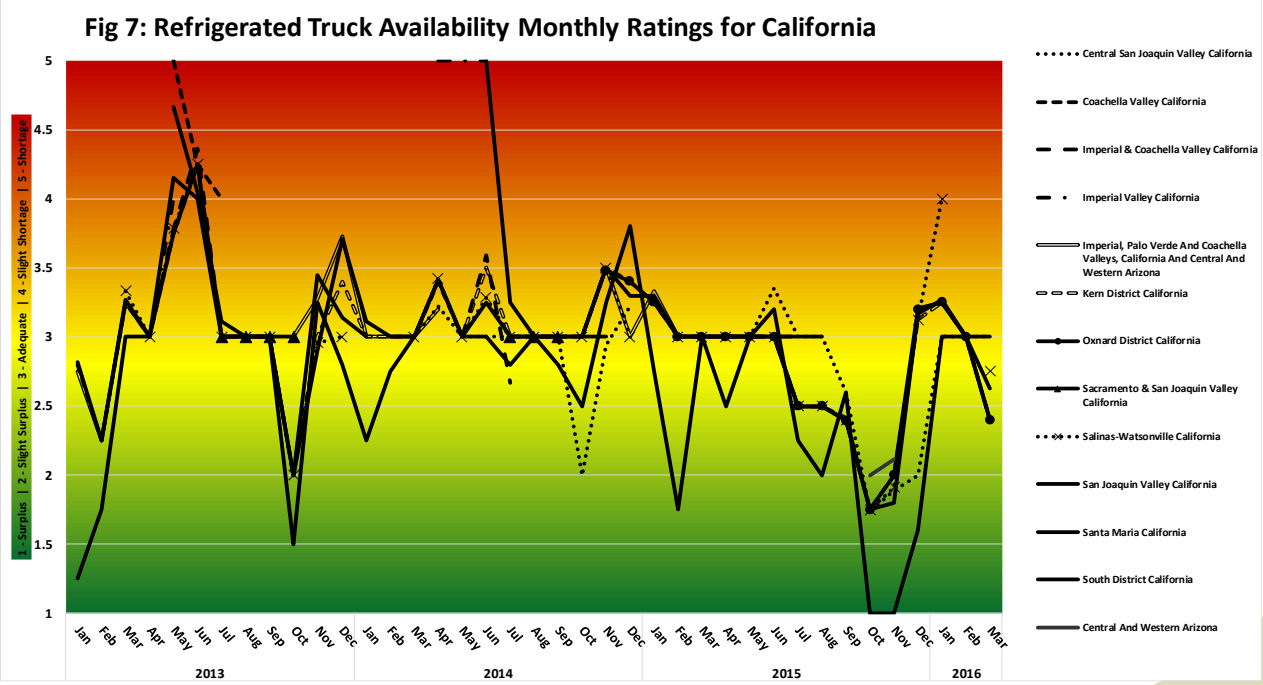
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the California sub-group of the West Coast PAD District 5 was used to represent the diesel fuel price.

Volume: Total reported shipments of fruits and vegetables from California during the 1st quarter of 2016 were 588,000 tons, a 22 percent decrease from the same quarter last year. The sum of the top five commodities decreased 28 percent from the same quarter last year, representing large decreases in strawberries and romaine and iceberg lettuces. Drought conditions continue to impact California produce production.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.89 per mile, 5 percent lower than the same quarter last year.

Truck Overview: Diesel fuel prices averaged $2.42 per gallon, 12 percent lower than the previous quarter and 24 percent lower than the same period last year. Truck availability reported for California was adequate in most Districts during the quarter. The Salinas-Watsonville District experienced slight shortage in January but returned to adequate by March. All regions in California reported availability from adequate to a slight surplus in March.



Pacific Northwest (PNW)

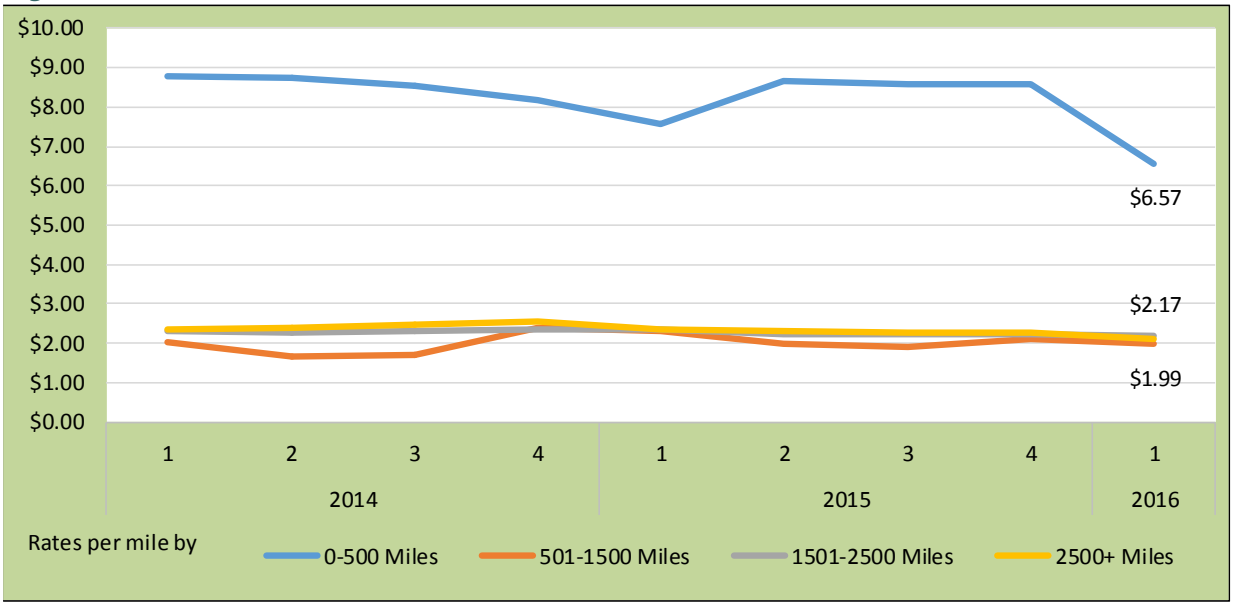
Table 11: Reported Top Five Commodities Shipped from PNW (1,000 tons)

Commodity	1st Quarter 2016	Share of PNW Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Apples	659	40%	668	783	-1%	-16%
Potatoes	474	29%	527	497	-10%	-5%
Onions Dry	329	20%	367	345	-10%	-5%
Pears	175	11%	206	176	-15%	0%
Rhubarb	0	0.0%	0.0	0	-	-46%
Top 5 Total	**1,638**	**100%**	**1,767**	**1,800**	**-7%**	**-9%**
PNW Total	**1,638**	**100%**	**1,768**	**1,800**	**-7%**	**-9%**

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

"-" indicates no reported shipments during the quarter.

Figure 8: PNW Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Figure 9: PNW Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	January	February	March	1st Quarter
Columbia Basin Washington	3.75	3.00	3.00	**3.25**
Idaho And Malheur County, Oregon	3.75	3.00	3.00	**3.25**
Upper Valley, Twin Falls-Burley District Idaho	3.75	3.00	3.00	**3.25**
Yakima Valley & Wenatchee District Washington	3.00	3.00	2.00	**2.67**
Regional Average Availability	3.56	3.00	2.75	**3.10**
Diesel Fuel Price ($/gallon)	2.23	2.07	2.15	**2.15**

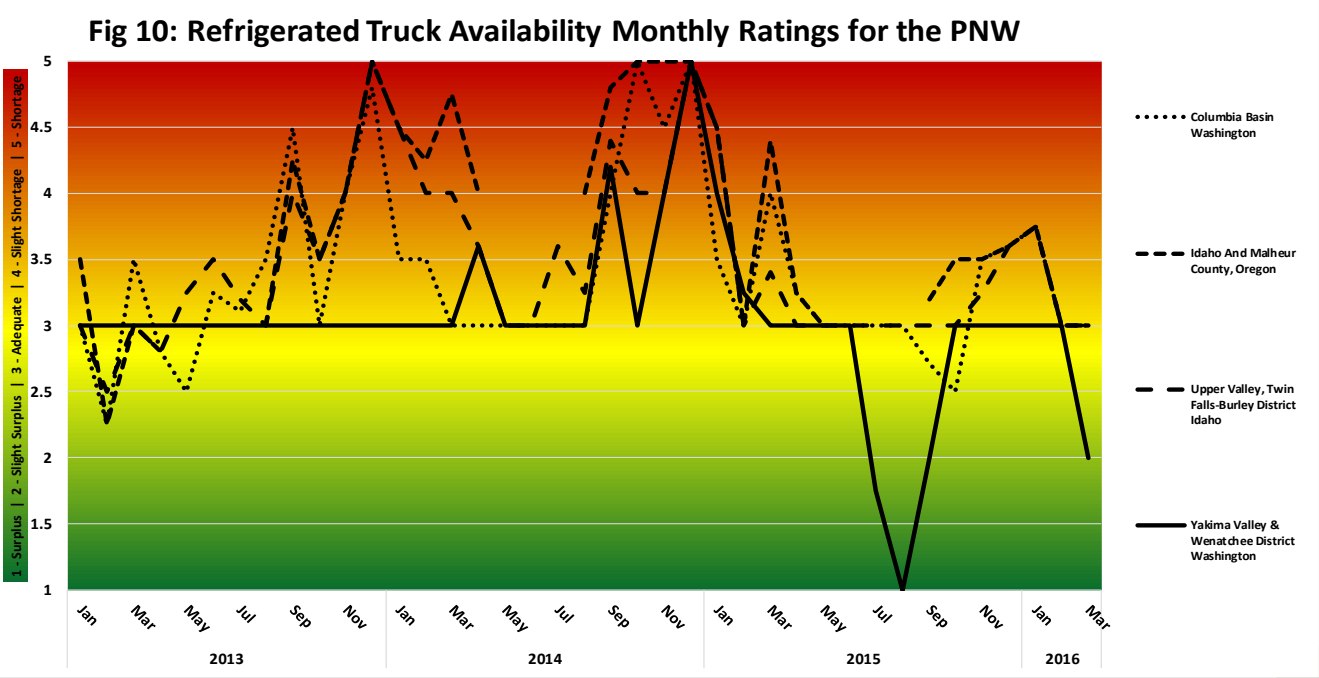
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the West Coast less California District was used to represent the diesel fuel price for PNW.

Volume: Total reported shipments of fruits and vegetables from the Pacific Northwest (PNW) during the 1st quarter of 2016 were 1.6 million tons, a decrease of 9 percent from the same quarter last year. The sum of the top five commodities decreased 9 percent as well. Top commodities from the PNW such as apples, potatoes, and onions all decreased during the quarter. Apples saw the greatest decrease, 16 percent. According to The Packer, the 2015 apple crop was significantly lower than 2014, decreasing overall shipments.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $1.99 per mile, 14 percent lower than same quarter last year.

Truck Overview: Diesel fuel prices averaged $2.15 per gallon, 14 percent lower than the previous quarter and 25 percent lower than the same period last year. Truck availability reported for the PNW hovered near adequate throughout the quarter.



Mexico Border Crossings

Table 12: Reported Top Five Commodities Shipped from Mexico-Tot (1,000 tons)

Commodity	1st Quarter 2016	Share of Mexico-Tot Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Tomatoes	319	11%	162	280	97%	14%
Avocados	288	10%	245	223	17%	29%
Tomatoes, Plum Type	253	9%	126	177	101%	43%
Cucumbers	229	8%	180	251	27%	-9%
Peppers, Bell Type	191	7%	78	197	146%	-3%
Top 5 Total	**1,280**	**46%**	**791**	**1,128**	**62%**	**14%**
Mexico-Tot Total	**2,789**	**100%**	**1,984**	**2,545**	**41%**	**10%**

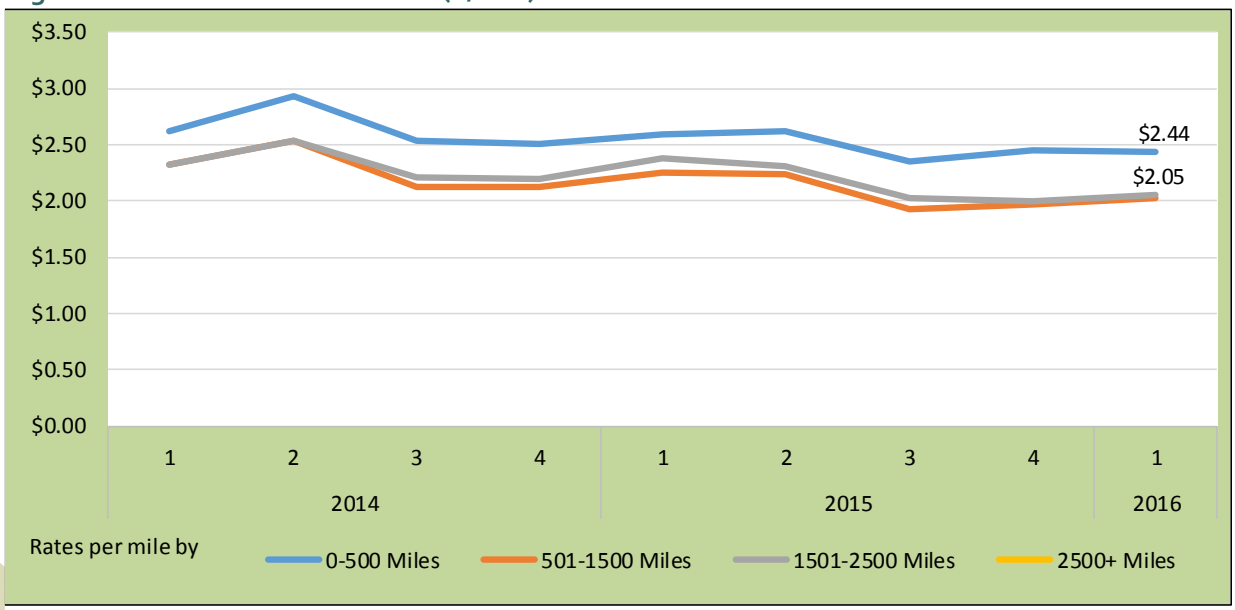
Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

"-" indicates no reported shipments during the quarter.

Table 13: Top 5 Commodities Shipped to U.S from Mexico by State of Entry (1,000 tons)

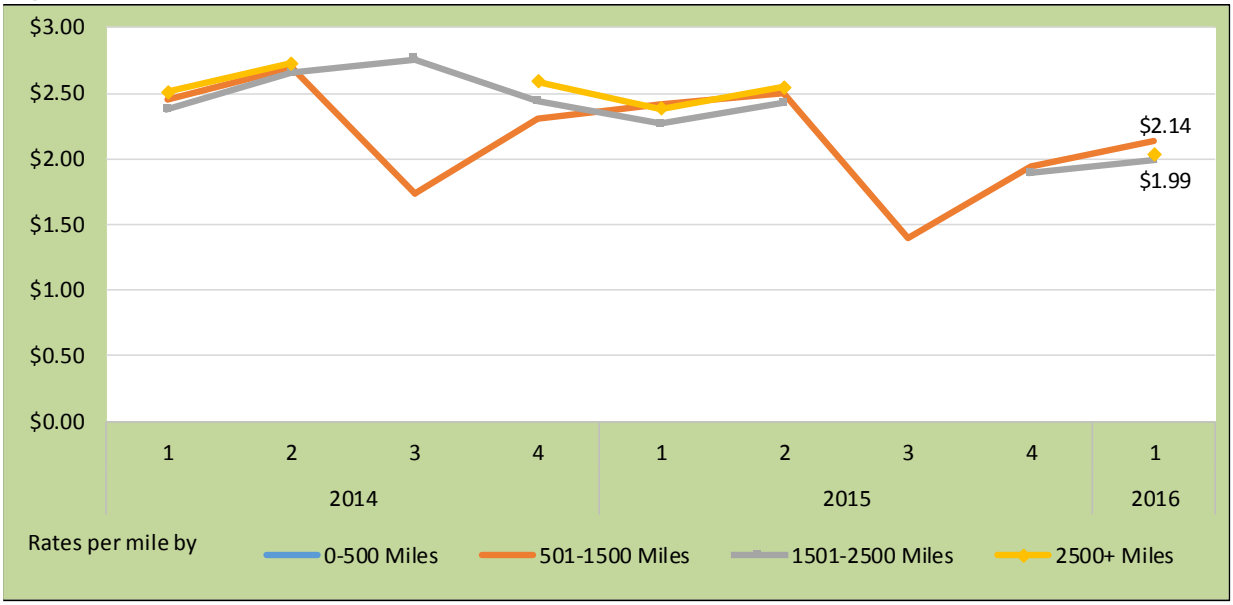
Texas		California		Arizona	
Avocados	280	**Asparagus**	50	**Tomatoes, Plum Type**	180
Tomatoes	153	**Onions Green**	40	**Tomatoes**	161
Limes	113	**Misc Tropical**	36	**Cucumbers**	160
Broccoli	71	**Peppers, Other**	19	**Peppers, Bell Type**	141
Tomatoes, Plum Type	64	**Brussels Sprouts**	17	**Squash**	137
Other	631	**Other**	192	**Other**	335
Total	**1,312**	**Total**	**354**	**Total**	**1,114**

Figure 11: Mexico-Tex Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Figure 12: Mexico-Ari Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Figure 13: Mexico Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	January	February	March	1st Quarter
Mexico Crossings Through Nogales, Arizona	2.50	2.43	2.00	**2.31**
Mexico Crossings Through Texas	3.25	2.50	3.20	**2.98**
Regional Average Availability	2.88	2.47	2.60	**2.65**
Diesel Fuel Price, through Arizona($/gallon)	2.23	2.07	2.15	**2.15**
Diesel Fuel Price, through Texas ($/gallon)	2.04	1.88	1.97	**1.97**

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the Gulf Coast PAD District 3 was used to represent the diesel fuel price through Texas.

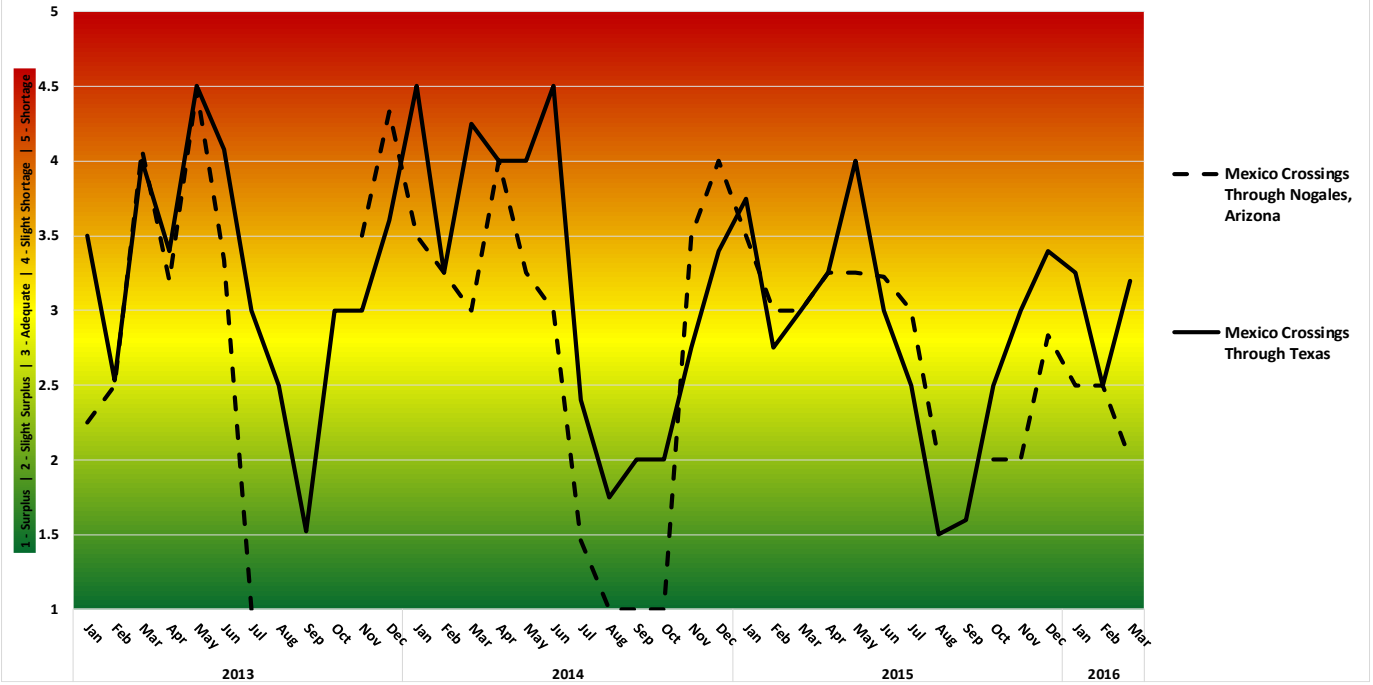
For the purpose of this report the West Coast less California District was used to represent the diesel fuel price through Arizona.

Volume: Total reported shipments of fruits and vegetables from Mexico during the 1st quarter of 2016 were 2.8 million tons, a 10 percent increase from the same quarter last year. The sum of the top five commodities increased 14 percent from last year. Avocado and tomato shipments saw significant increases from last year. According to the Packer, weather impacts to tomato production in Florida increased demand from Mexican sources. Additionally, strong Mexican demand for these products delayed shipments until the first quarter of 2016.

Rates: Truck rates for shipments between 501 and 1,500 miles through the Texas border crossings averaged $2.03 per mile, down 10 percent from the same quarter last year. Rates for shipments between 501 and 1,500 miles through the Arizona border crossings averaged $2.14 per mile, down 11 percent from the same quarter last year.

Truck Overview: Diesel fuel prices for border crossings through Texas averaged $1.97 per gallon, 13 percent lower than the previous quarter, and 30 percent lower than the same quarter last year. Diesel fuel prices for border crossings through Arizona averaged $2.15 per gallon, 14 percent lower than the previous quarter and 25 percent lower than the same period last year. Truck availability reports for border crossings in Texas and Arizona ranged from a slight surplus to adequate during the quarter.

Fig 14: Refrigerated Truck Availability Monthly Ratings for Mexico



Arizona

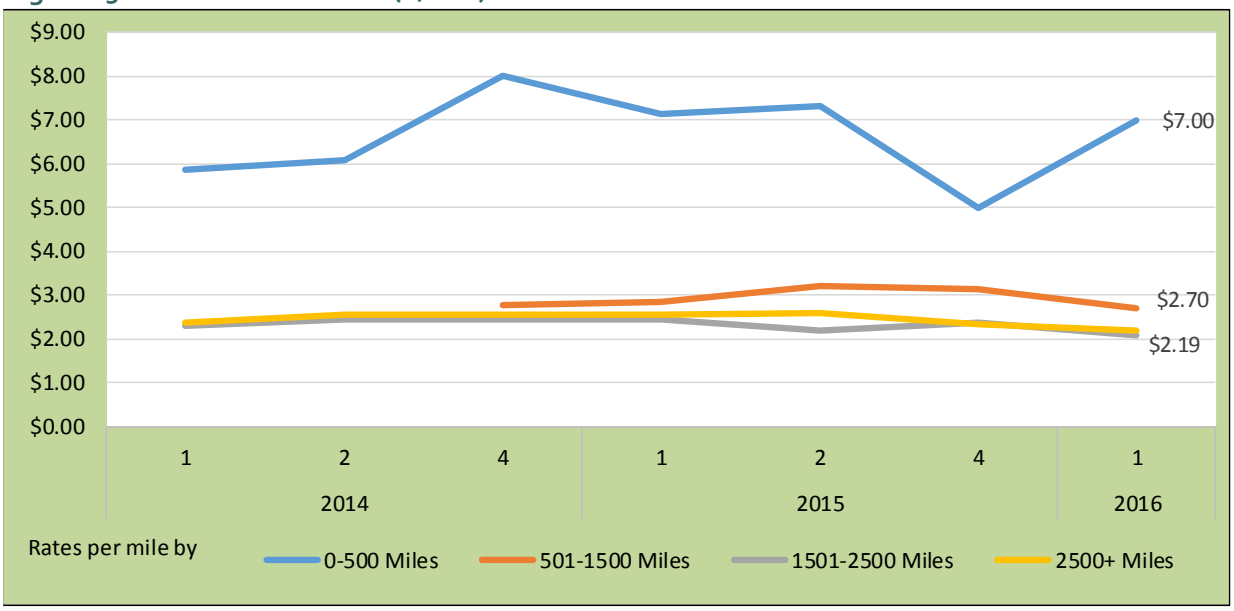
Table 14: Reported Top Five Commodities Shipped from Arizona (1,000 tons)

Commodity	1st Quarter 2016	Share of Arizona Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Lettuce, Iceberg	251	31%	170	289	47%	-13%
Lettuce, Romaine	224	28%	126	222	78%	1%
Lettuce, Processed	122	15%	40	61	204%	98%
Celery	46	6%	2	45	2403%	4%
Spinach	33	4%	20	44	70%	-24%
Top 5 Total	**676**	**85%**	**358**	**661**	**89%**	**2%**
Arizona Total	**799**	**100%**	**502**	**853**	**59%**	**-6%**

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

"-" indicates no reported shipments during the quarter.

Figure 15: Arizona Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Volume: Total reported shipments of fruits and vegetables from Arizona during the 1st quarter of 2016 were just under 800,000 tons, a 6 percent decrease from the same quarter last year. The sum of the top five commodities increased 2 percent from the same quarter last year, including a significant increase (98 percent) in movements of processed lettuce, but decreases in iceberg lettuce and spinach. The Packer reports a colder than usual winter in Arizona cut volumes of leafy greens moved from the State.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.70 per mile, 6 percent lower than same quarter last year.

Truck Overview: Diesel fuel prices averaged $2.15 per gallon, 14 percent lower than the previous quarter and 25 percent lower than the same period last year. Truck availability reported for Arizona ranged from a slight surplus to adequate throughout the quarter.

Fig 16: Refrigerated Truck Availability Monthly Ratings for Arizona

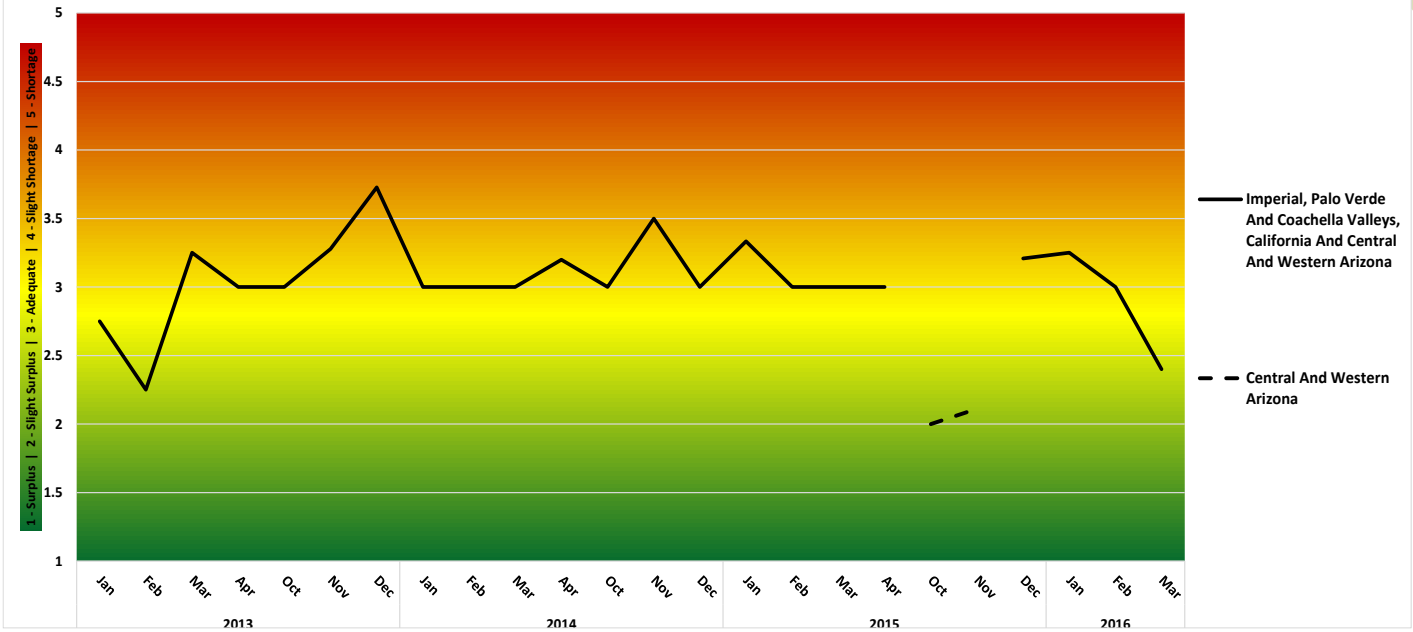


Figure 17: Arizona Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	January	February	March	1st Quarter
Imperial, Palo Verde And Coachella Valleys, California And Central And Western Arizona	3.25	3.00	2.40	**2.88**
Mexico Crossings Through Nogales, Arizona	2.50	2.43	2.00	**2.31**
Regional Average Availability	2.88	2.72	2.20	**2.60**
Diesel Fuel Price ($/gallon)	2.23	2.07	2.15	**2.15**

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the West Coast less California District was used to represent the diesel fuel price for Arizona.

Florida

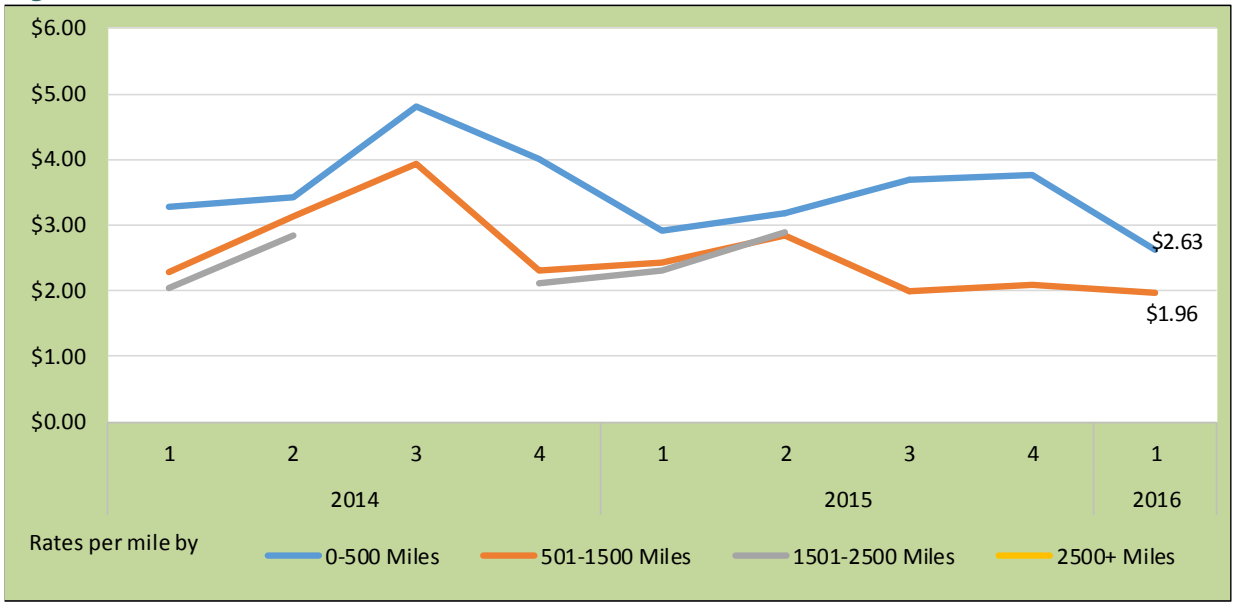
Table 15: Reported Top Five Commodities Shipped from Florida (1,000 tons)

Commodity	1st Quarter 2016	Share of Florida Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Tomatoes	98	15%	126	186	-23%	-48%
Grapefruit	86	13%	76.3	107	13%	-20%
Strawberries	84	13%	14	102	480%	-18%
Cabbage	63	10%	-	74	-	-15%
Peppers, Bell Type	47	7%	43.5	94	8%	-50%
Top 5 Total	**377**	**58%**	**260**	**563**	45%	**-33%**
Florida Total	**647**	**100%**	**505**	**996**	**28%**	**-35%**

Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

"-" indicates no reported shipments during the quarter.

Figure 18: Florida Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Volume: Total reported shipments of fruits and vegetables from Florida during the 1st quarter of 2016 were 647,000 tons, a 35 percent decrease from the same quarter last year. The sum of the top five commodities was 33 percent lower than the same quarter last year, representing a 48 percent decrease in tomatoes, a 20 percent decrease in grapefruit, an 18 percent decrease in strawberries, a 15 percent decrease in cabbage, and a 50 percent increase in bell peppers. The Packer reported persistent rain fall due to El Nino caused significant flooding impacting both production and harvest in nearly all agricultural regions of the State.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $1.96 per mile, 19 percent lower than the same quarter last year.

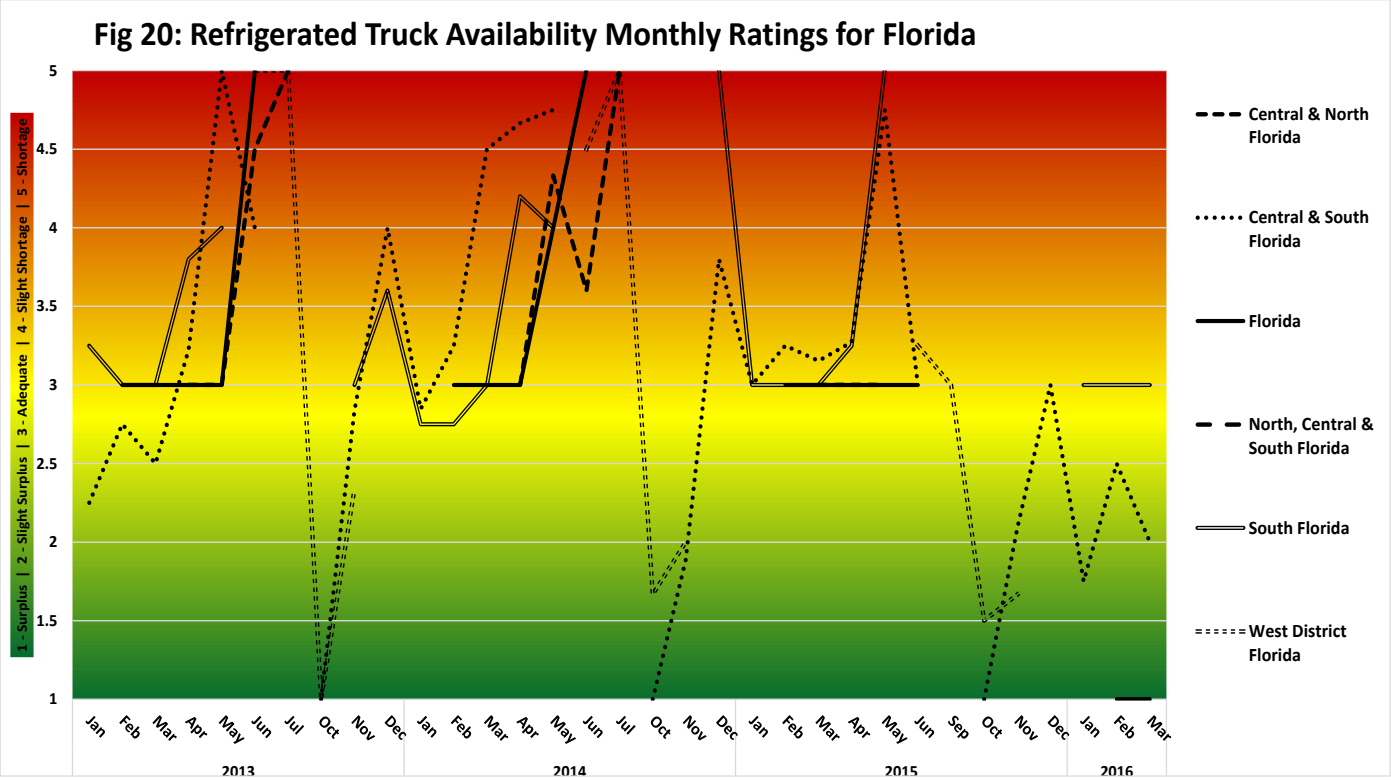
Truck Overview: Diesel fuel prices averaged $2.03 per gallon, 14 percent lower than the previous quarter and 30 percent lower than the same period last year. Truck availability reported for Florida ranged from surplus to adequate throughout the quarter.

Figure 19: Florida Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	January	February	March	1st Quarter
Central & South Florida	1.75	2.50	2.00	**2.08**
Florida	n/a	1.00	1.00	**1.00**
South Florida	3.00	3.00	3.00	**3.00**
Regional Average Availability	2.38	2.17	2.00	**2.18**
Diesel Fuel Price ($/gallon)	2.09	1.96	2.05	**2.03**

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the Lower Atlantic District was used to represent the diesel fuel price for Florida.



Terms and References

Data Sources: This information is compiled from the weekly Fruit and Vegetable Truck Rate Report by USDA, Agricultural Marketing Service (AMS), Specialty Crops Program, Market News Division. The website is: https://www.marketnews.usda.gov/mnp/fv-home.

Regional Markets: For the regional markets, some States are grouped into producing regions. The Pacific Northwest region includes Idaho, Oregon, and Washington. The Great Lakes region includes Michigan, Minnesota, and Wisconsin. The Southeast region includes North Carolina, South Carolina and Georgia.

Shipment Volumes: Truck shipments for all commodities and origins are not available. Those obtainable are reported, but should not be interpreted as representing complete movements of a commodity. Truck shipments from all States are collected at shipping points and include both interstate and intrastate movements. They are obtained from various sources, including Federal marketing orders, administrative committees, Federal State Inspection Service, and shippers. Volume amounts are represented in 10,000 pound units, or 1,000 10-lb packages but are converted to 1,000 tons for this report. Mexican border crossings through Arizona and Texas data is obtained from the Department of Homeland Security (DHS), U.S. Customs and Border and Protection (CBP) through USDA, AMS, Market News.

Rates: This information is compiled from the weekly *Fruit and Vegetable Truck Rate Report*. Rates quoted represent open (spot) market rates that shippers or receivers pay depending on basis of sale, per load, including truck brokers fees for shipments in truck load volume to a single destination. Extra charges for delivery to terminal markets, multipickup and multidrop shipments are not included unless otherwise stated. Rates are based on the most usual loads in 48-53 foot trailers from the origin shipping area to the destination receiving city. In areas where rates are based on package rates, per load rates were derived by multiplying the package rate by the number of packages in the most usual load in a 48-53 foot trailer. Slightly cheaper rates will be reported during Quarters 2 and 3 as about 50 percent of onion shipments from California are hauled on open flatbed trailers. During Quarter 3, less than 20 percent of onions hauled from Washington, Idaho, and Oregon are on open flatbeds.

Regional Rates: Rate data for 10 destination markets are used to calculate average origin regional rates.

National Rates: The national rates reflect the average of the regional rates, separated by mileage category and weighted by volume between origin and destination.

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http://www.ams.usda.gov/market-news/fruits-vegetables

Economic Research Service Vegetable and Pulses
http://www.ers.usda.gov/topics/crops/vegetables-pulses.aspx

Economic Research Service Fruit and Tree Nuts
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Preferred Citation

U.S. Department of Agriculture, Agricultural Marketing Service. Agricultural Refrigerated Truck Quarterly Report. July 2016. Web. <http://dx.doi.org/10.9752/TS051.07-2016>